

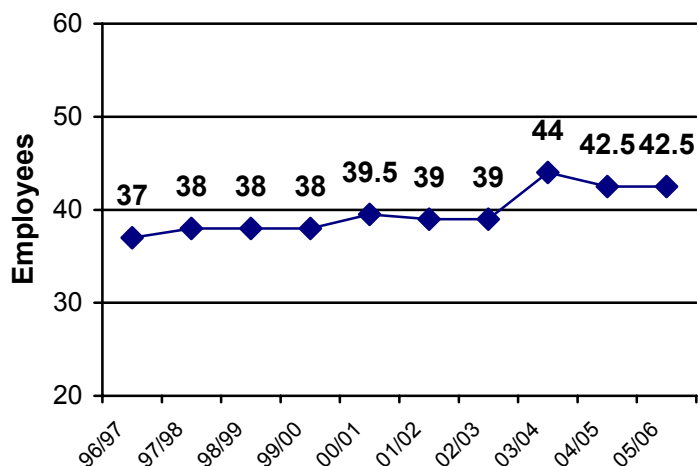
MISSION STATEMENT

The Auditor-Controller is the Chief Accounting Officer for the County Government.

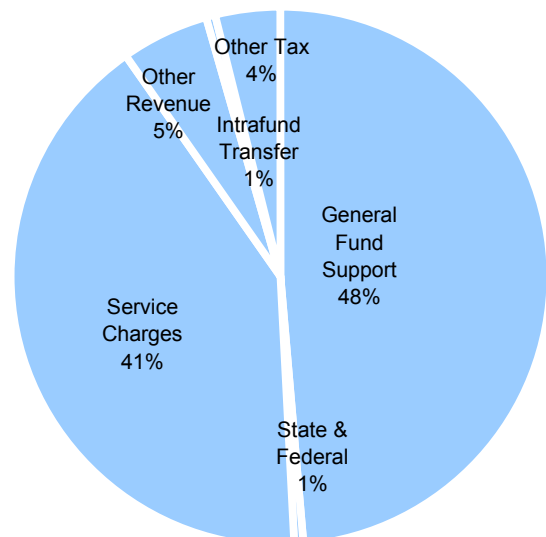
The office enhances the public's trust by acting as a guardian of funds administered for the County, cities, schools and special districts and by providing an independent source of financial information and analysis.

	2003-04	2004-05	2005-06	2005-06	2005-06
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 1,086,761	\$ 1,223,149	\$ 913,282	\$ 913,282	\$ 913,282
Salary and Benefits	3,616,185	3,669,837	3,886,531	3,840,806	3,840,806
Services and Supplies	364,717	254,983	326,634	326,634	326,634
Fixed Assets	0	8,399	0	0	0
**Gross Expenditures	\$ 3,980,902	\$ 3,933,219	\$ 4,213,165	\$ 4,167,440	\$ 4,167,440
Less Intrafund Transfers	47,979	35,007	39,600	49,600	49,600
**Net Expenditures	\$ 3,932,923	\$ 3,898,212	\$ 4,173,565	\$ 4,117,840	\$ 4,117,840
General Fund Support (G.F.S.)	<u>\$ 2,846,162</u>	<u>\$ 2,675,063</u>	<u>\$ 3,260,283</u>	<u>\$ 3,204,558</u>	<u>\$ 3,204,558</u>

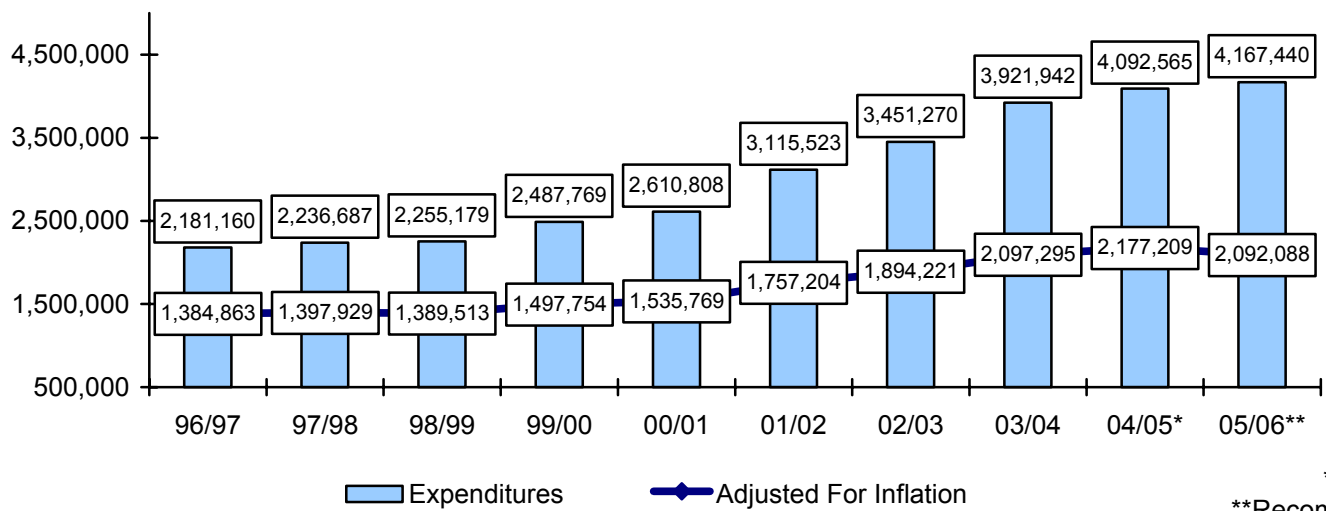
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Accounts Payable

Pre-audit all claims for payments to vendors submitted by County departments and process payments for special districts. Coordinate payment activity and provide oversight and direction with departments and vendors. Prepare annual reports required by the State and the Internal Revenue Service.

Total Expenditures: \$402,673 Total Staffing (FTE): 6

Audit Division

Perform mandated internal audits for compliance with state and federal requirements. Ensure adequacy of internal controls over cash and county assets. Conduct management and compliance audits and departmental reviews. Audit the operations of public agencies doing business with the County to ensure compliance with policy. Assists with the preparation of the County's annual financial statement.

Total Expenditures: \$ 579,774 Total Staffing (FTE): 6

Budget and Cost Accounting

Assist the County Administrator and Board of Supervisors in developing the proposed and final County budget. Analyze and forecast annual budget expenditures. Review all county fees. Conduct rate reviews for ambulance, landfill, and internal service fund operations. Prepare countywide cost allocations, state mandated program claims, indirect cost rate proposals and special reporting requests.

Total Expenditures: \$ 166,142 Total Staffing (FTE): 1.25

Deferred Compensation Plan

To provide the resources necessary for the daily operation of the County Deferred Compensation Plan.

Total Expenditures: \$57,713 Total Staffing (FTE): 0

Enterprise Financial System

To provide resources to implement the County's new financial system.

Total Expenditures: \$596,317 Total Staffing (FTE): 5

Financial Reporting

Maintain accounting records for the County and those districts whose funds are kept in the County Treasury. Maintain budget and funds controls and records of fixed assets. Prepare annual financial reports and reports for federal and state reimbursement. Act as Auditor and/or Financial Officer for special districts, boards, authorities, etc. and provide accounting services for countywide debt financing.

Total Expenditures: \$941,648 Total Staffing (FTE): 10

Mobilehome Rent Board Support

Administer the Mobile Home Park Rent Stabilization Ordinance and provide staff support to the Board.

Total Expenditures: \$45,000 Total Staffing (FTE): .5

Payroll Processing

Prepare and process biweekly payroll for the County. Coordinate payroll activity with departments and employees. Prepare biweekly, monthly, quarterly, and annual reports for state, federal, and local agencies. Collect and pay premiums for County-related health and insurance benefits.

Total Expenditures: \$374,003 Total Staffing (FTE): 5

Property Tax Processing

Calculate property tax rates and determine extensions. Process changes to the tax roll. Apportion and distribute taxes and special assessments to all agencies. Prepare tax reports. Implement procedural changes to reflect new legislation affecting the tax system. Advise cities, schools, and special districts on tax-related matters.

Total Expenditures: \$363,376 Total Staffing (FTE): 4

Systems Support

Evaluate existing manual accounting systems and make recommendations for improved efficiencies through automation. Maintain the countywide computerized financial, fixed asset, accounts payable, tax, and payroll systems. Assist departments in updating computerized systems. Provide training and prepare manuals related to accounting systems operations. Maintain operation of the Auditor's LAN and PC network.

Total Expenditures: \$591,194 Total Staffing (FTE): 4.75

DEPARTMENT COMMENTS

The Auditor's Office will hold one position vacant for the year and another management position for one-half of the year in the General Fund Support budget for a savings of \$100,000.

The Auditor's Office reduced services and supplies by more than \$50,000 in the 05-06 General Fund Support budget. Decreases in the maintenance contract for the Countywide payroll system and professional services were the two primary reductions in the services and supplies accounts. Staffing reductions may be possible in the 2006-07 fiscal year once the project is fully on line.

Other revenue sources have decreased as well. The Courts no longer require payroll services resulting in a loss of \$45,000 of revenue from the prior year, SB 90 will start to come in during the 05-06 fiscal year if the Governor's budget is approved but it is difficult to estimate the amount available. Debt service revenue has decreased by one half due to the absence of a TRAN the last few years and postage for the Department of Social Services continues to decline as more of those departments' clients use direct deposit.

Overall, we were not able to meet the General Fund Support requirement because of continuing EFS staffing requirements. But we have made every effort to contain our costs where possible.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The General Fund Support for the Auditor-Controller is recommended to increase \$408,560 or 14%. This significant increase in General Fund Support is primarily a result of declining revenue associated with the Enterprise Financial system (EFS) implementation. This next year is a transition year for implementing the EFS phase I to a maintenance phase as described above. Staffing reductions may be possible in the 2006-07 fiscal year once the project is fully on line.

The salary and benefit accounts are recommended to increase \$107,446 or only 2% as a result of the Auditor-Controller holding one position vacant. In addition, it is not recommended to upgrade (reclass) two positions requested by the department.

Overall, services and supplies have been reduced by approximately \$32,000 or 9%.

Reimbursement revenue for the Auditor's staff assigned to the EFS Project will decline by approximately one half in the 05-06 fiscal year as Phase II is expected to go live in the fall of 05-06. However, the expertise of those staff members will continue to be required in order to complete the successful implementation.

BOARD ADOPTED CHANGES

None.

GOALS AND PERFORMANCE MEASURES

Department Goal: Pay county bills on time and accurately.						
Communitywide Result Link: A well-governed community.						
1. Performance Measure: Percentage of county vendors identified as "satisfied" or "very satisfied" with payment timeliness and courteous response to inquiries.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
94%	No survey	94%	No survey	94%	No survey	94%
What: The survey measures our vendors' satisfaction with department service and performance.						
Why: Our purpose is to meet or exceed the performance expectations of our vendors.						
How are we doing? The amount of staff time required to learn the new financial system that was implemented in 2004-05 made it impractical to survey vendors during the fiscal year. We have no indications from our vendors that satisfaction has declined and we expect to complete the survey in 2005-06.						

Department Goal: Provide periodic review of the internal controls of County Departments to ensure compliance with policies and procedures, and minimize losses from fraud or misappropriation.						
Communitywide Result Link: A well-governed community.						
2. Performance Measure: Number of cash counts, special district audits, trust fund reviews, and grant compliance audits performed for County departments.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
36	32	26	33	30	17	30
What: The Internal Audit Division studies a sampling of various offices, districts, funds, and programs each year. Selection is made based on legal mandates, and measures of risk such as dollar value, complexity, and/or the existence of other checks and balances.						
Why: These audits and reviews help to prevent or minimize losses from fraud and from non-compliance with program funding requirements. Since department managers in most cases do not know if their operation will be selected for detailed audit in any particular year, this serves as a deterrent for lax internal controls.						
How are we doing? The audit staff completed less audits than projected because they were utilized to help implement the new financial system that was a top priority. Now that the system is in place, the audit division will return to their normal duties.						
3. Performance Measure: Number of concessionaire, bed tax, or service provider audits completed.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
21	15	23	24	14	9	14
What: Selected concessionaires, hotels, and major contracted service providers are audited on a rotating basis so that they can expect to be studied once every three or four years. Hotels and most concessions pay the County based on percentages of gross receipts, and many contractors are paid based on counts of eligible services provided.						
Why: These audits help to insure that the County is receiving all the revenue that it is entitled to, and that payments made are for services actually received. In addition, we try to maintain a level playing field so that local businesses pay no more or less than their fair share under the law, and are properly compensated when contracting with the County.						
How are we doing? The audit staff completed less audits than projected because they were utilized to help implement the new financial system that was a top priority. Now that the system is in place, the audit division will return to their normal duties.						

Department Goal: Maintain the financial health of the County by developing effective annual budgets, accurately identifying expenditures, and ensuring recovery of revenues from state and federal sources.

Communitywide Result Link: A well-governed community.

4. Performance Measure: A favorable audit, by the State Controller's Office, of reimbursable costs allocated through the Countywide Cost Allocation Plan, prepared in accordance with federal regulations.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions	Audit with no exceptions-	Audit with no exceptions
<p>What: State and Federal agencies allow for County's overhead cost reimbursement through numerous programs and grants. The Countywide Cost Allocation Plan is a tool used to distribute overhead costs to programs and departments within the County.</p> <p>Why: The County is reimbursed for overhead costs.</p> <p>How are we doing? The State Controller's audit of the 2004-05 Countywide Cost Allocation Plan resulted in no adjustments or findings.</p>						

Department Goal: Provide timely and accurate financial information for the public, Board of Supervisors, and County departments.

Communitywide Result Link: A well-governed community.

5. Performance Measure: Earn a clean auditor's opinion on the Comprehensive Annual Financial Report (CAFR).

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
1	1	1	1	1	1	1
<p>What: The clean opinion measures the reliability, integrity and accuracy of the information presented in the County financial statements.</p> <p>Why: Provides assurance to the public, investors and others that the County's financial position is presented fairly and accurately.</p> <p>How are we doing? The audit on the County's Annual Financial Report resulted in an unqualified or "clean" opinion from our independent auditors.</p>						

Department Goal: Insure that all automated accounting systems are designed to provide easy access to relevant data are maintained with adequate internal controls and audit trails.

Communitywide Result Link: A well-governed community.

6. Performance Measure: Percentage of users that receive annual workshop training sessions on automated financial management, human resource/payroll and budget preparation systems.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
75%	75%	85%	85%	85%	100%	100%
<p>What: This measures our desire to be certain users know what systems and information are available and how to use them.</p> <p>Why: Users will know what information is available and how to retrieve it given adequate training.</p> <p>How are we doing? The new financial system went live in 2004-05. Training was given to 100% of the County departments in advance of go-live. Additional training was offered through workshops or on an individual basis after the system was up and running.</p>						

Department Goal: Provide high quality, cost effective Auditor-Controller services.						
Communitywide Result Link: A well-governed community.						
7. Performance Measure: Auditor Controller staff per 100 County employees.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual	04/05 Adopted	04/05 Actual Results	05-06 Target
New Measure	New Measure	1.5	1.4	1.5	1.5	1.5
What: This shows Auditor Controller staffing levels per 100 county employees.						
Why: This data can be compared with Auditor-Controller offices of similar characteristics to provide one measure of whether we are appropriately staffed.						
How are we doing? Staffing levels per 100 employees for our comparable counties (6 counties surveyed) ranged from a low of 0.5 in Kern County to a high of 1.7 in Napa, with the average at 1.3. The Auditor's Office maintains staffing levels slightly above the average, but well within the range of our comparable counties.						